THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) With effect from October 18, 1994, RBI has deregulated the interest rates on advances above Rs. 2 lakh and the rates of interest on such advances are determined by the banks themselves with the approval, of their Boards. Banks have been advised to fix their Benchmark Prime Lending Rate (BPLR) after taking into account cost of funds, transaction cost, risk factor, margin and other overhead expenses.

Refinancing of poor rural banks

†338. SHRI UDAY PRATAP SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering for refinancing the financially poor rural banks; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) National Bank for Agriculture and Rural Development (NABARD) divides Regional Rural Banks (RRBs) into categories based on certain criteria. The quantum of refinance for each category is decided by them based on the financial health of the RRB and the banks realistic lending programme acceptable to NABARD.

Irregularities in purchase of stationery items

339. SHRI MOTIUR RAHMAN: Will the Minister of FINANCE be pleased to state:

(a) whether different departments of his Ministry are not following the provisions of General Financing Rules and other instructions on the purchase of stationery etc.;

(b) if so, the details of the irregularities brought out by the MPs and the CAG in the recent past and what action has been taken thereon; and.

(c) what steps has his Ministry taken to ensure that public money is not squandered alongwith details?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Stationery and other items are purchased by different Departments of the Ministry as per the power delegated under Delegation of Financial Power Rules (DFPRs). While exercising such powers, Departments are required to follow the provisions of General Financial Rules (GFRs) and other relevant instructions.

(b) If any matter related with violation of provisions of General Financial Rules is brought to the notice by Hon'ble Members of Parliament (MPs) and/or Comptroller and Auditor General of India (C&AG), replies/Action Taken Notes are furnished as the case may be. In the recent past, C&AG has conducted performance audit of internal control in selected Central Ministries, including Ministry of Finance. This is

†Original notice of the question was received in Hindi